

THE JACOB JOURNAL

A NEWSLETTER FROM SUPERVISOR DIANNE JACOB

AUGUST 1997

Cleaning Up The Trash Mess

When the San Diego County Board of Supervisors voted unanimously to sell its landfills and other solid waste assets to Allied Waste Industries, it was an historic moment for our region and its residents. The trash mess was not created by this Board of Supervisors, but it is one we addressed head on! Now, I am proud to say that the sale will net the County \$184 million in cash, providing taxpayers a substantial monetary return on their investment, stabilizing the county's financial position and raising its bond rating.

Proceeds from the sale pays off the \$100 million debt created from the failed San Marcos recycling plant, establishes an environmental trust fund to manage the County's ongoing solid waste responsibilities, builds management reserves and will fund certain one-time infrastructure investments. In addition to the financial benefits, the divestiture will transfer environmental liability from the County to the new owner, protect health, safety and environmental standards, solve regional trash disposal needs and create a more competitive, efficient and cost-effective solid waste system. And, taxpayers can expect trash collection rates to remain competitive based on a free-market system.

As a long-time advocate for selling the county's solid waste system, the sale to Allied is consistent with my goal to operate the county more like a private business. The sale represents the largest privatization effort ever undertaken by

San Diego and may be one of the largest privatizations of municipal assets transacted in the United States.

The decision to sell the solid waste assets came about as the County continued to be burdened with problems created by actions of the past, including the failed San Marcos recycling facility that cost the County \$134 million. Our trash system was in a death spiral! Our ability to continue to provide cost-effective trash disposal was being threatened by stricter landfill regulations and lower prices offered by privately owned landfills. The financial health of the entire County was in jeopardy.

Our responsibility was to find a long-term solution that would achieve all of our objectives — and divestiture was the solution. The fact is that the private sector can function far more cost-effectively in this industry — resulting in better services and lower trash collection rates for consumers.

Timing was important. Fortunately, the economic and market conditions in the solid waste industry were such that the time was right for the sale. Interest rates were down, equity values for waste management companies were on the rise and the waste management industry was in a consolidation mode. By divesting our system when we did, the County was able to capitalize on the solid waste industry's strong interest in acquiring our assets and still retain control of one of its core competencies by serving as the local enforcement agency. In this role, the County will continue to regularly monitor Allied to enforce compliance with health, safety and environmental regulations.

Allied was selected for many reasons. Its proposal offered

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*Supervisor Dianne Jacob
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communities of:*

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Shelter Valley
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INTERNET CONNECT-ORY FOR BUSINESS: Jacob Announces On-Ramp To Internet 'Autobahn'

County Supervisor Dianne Jacob has announced plans to expand an internet-based **Connect-ory** of San Diego County's manufacturers and other primary industry companies to link them with markets and opportunities worldwide. The **Connect-ory**, which was developed by the East County Economic Development Council, will serve as an electronic catalogue featuring a database that not only provides information about each company and what it produces, but also about the **capability** of each business to produce custom products or meet the demands of customers outside its traditional market segment.

"The expansion of the **Connect-ory** assures that businesses can do more than just take a ride on the information superhighway!", said Jacob. "What we are offering is an on-ramp to the internet 'autobahn' so businesses can take full advantage of the world wide web to compete globally."

The East County Economic Development Council (ECEDC) developed the **Connect-ory** that will allow for business-to-business connections throughout the nation. It is currently being tested with more than 500 East County manufacturers participating. The Board of Supervisors has committed \$84,000 to the **Connect-ory** project, and Jacob said she plans to ask the Board in September to direct the Chief Administrative Officer to seek participation from other jurisdictions to take the **Connect-ory** County-wide.

Deanna Weeks, Chief Administrative Officer for the ECEDC, thanked the County for its supportive role in the development process. "The County of San Diego Office of Trade & Business Development, San Diego State University and Booz, Allen & Hamilton have worked with us to construct this tool that will allow us to position our companies for new opportunities in a unique way. We are providing buyers with a convenient and efficient means of identifying and accessing needed products and services right here in San Diego."

The **Connect-ory** is expected to be on the world wide web by January 1, 1998. All San Diego manufacturing and other primary industry companies will be invited to participate.



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the best value for County taxpayers and clearly demonstrated the company's ability to offer the services, management expertise, financial strength and stability we were seeking in a buyer.

Headquartered in Scottsdale, Arizona, Allied is the fourth largest firm principally involved in solid waste management in the nation with 1997 revenues estimated at more than \$800 million! Allied's local operating company, Laidlaw Waste Systems, employs more than 220 San Diegans and provides service to more than 70,000 customers in San Diego County.

Included in the sale are four active landfills, long-term leases on rural bin sites, the rights to a trash transfer station in Carlsbad and the North County Resource and Recycling Facility in San Marcos.

This Board of Supervisors, with the expertise of our new Chief Administrative Officer Larry Prior, has brought San Diego County residents the results-oriented business-like approach they deserve. We recognize that government should do what it does best — protect the health, safety, and well-being of our citizens — and let the private sector do the rest.



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cnty/bos/](http://www.co.san-diego.ca.us/cnty/bos/)**

County Round-Up

COUNTY BUDGET COMPLETE!

The Board of Supervisors passed a budget this year which reflects my priorities -
- CUTTING WELFARE HANDOUTS BY \$57 MILLION and INCREASING PUBLIC SAFETY PROGRAMS BY \$35 MILLION!

GUN BAN SHOT DOWN BY BOARD OF SUPERVISORS

The Board of Supervisors shot down a proposed ban on so-called Saturday Night Specials. On Jacob's motion, the Board failed to support two State bills to ban the guns and directed County staff to stop all work on a local law banning Saturday Night Specials. Jacob is pleased that the Board can now focus on finding real solutions to the problem of juvenile gun violence.

A FOCUS ON EAST COUNTY BUSINESS

The Board of Supervisors during our budget process increased the County Office of Trade and Business. They will add a staff member to SPECIFICALLY WORK WITH EAST COUNTY businesses! To reach the Office of Trade and Business, call (619) 531-5171.

Get The Jacob Journal!

The Jacob Journal will be mailed to you on a regular basis by request only. So, if you like what you've read, fill out the form below and mail it back to us at 1600 Pacific Highway, San Diego, CA 92101 or fax it us at to (619) 696-7253. We'll put you on our mailing list to get The Jacob Journal regularly!

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We hope to hear from you soon!

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